

A RESOLUTION

03-*R*-0089

BY TRANSPORTATION COMMITTEE

A RESOLUTION AUTHORIZING THE MAYOR OR HER DESIGNEE TO EXECUTE A REIMBURSABLE AGREEMENT WITH DELTA AIR LINES, INC., COVERING THE REIMBURSEMENT BY THE CITY TO DELTA OF CERTAIN COSTS TO BE INCURRED BY DELTA FOR THE DESIGN AND CONSTRUCTION OF CERTAIN REPLACEMENT AND INTERIM FACILITIES, INCLUDING BUT NOT LIMITED TO REPLACEMENT OF A MATERIALS STORAGE FACILITY, A NEW PARKING DECK AND NEW OR REFURBISHED SURFACE PARKING AREAS, AND THE OPERATION OF A TEMPORARY EMPLOYEE BUSING SERVICE AT HARTSFIELD ATLANTA INTERNATIONAL AIRPORT UP TO AN ESTIMATED AMOUNT NOT TO EXCEED \$13,511,036.00, TO BE CHARGED TO AND PAID FROM FUND ACCOUNT CENTER NO. 2H26 571001 R21E052096AA; AND FOR OTHER PURPOSES.

WHEREAS, the City of Atlanta (the "City") and Delta Air Lines Inc. ("Delta") are parties to an Amended and Restated Lease Agreement ("TOC Lease"), dated December 1, 1989, for Delta's Technical Operations Center ("TOC"), which serves as Delta's primary aircraft maintenance facility at Hartsfield Atlanta International Airport ("Hartsfield"); and

WHEREAS, the City has undertaken the design and construction of a new East International Terminal ("EIT") and related aircraft ramp, entrance roadway, and vehicle parking facilities, to improve service to international airlines and their passengers at Hartsfield; and

WHEREAS, the Federal Aviation Administration ("FAA") and the City have jointly determined that the new Air Traffic Control Tower ("ATCT"), to be constructed in support of the fifth runway project at the Airport, must be sited adjacent to and partially upon land comprising the TOC at Hartsfield; and

WHEREAS, the City requires the use of a portion of Delta's TOC Leasehold in connection with both the EIT project and the ATCT, and Delta is ready and willing to relinquish the portion of the Delta TOC Leasehold needed by the City for the ATCT and the first phase of the EIT project which is the subject of this legislation; and

WHEREAS, in order to relinquish the portion of the Delta TOC Leasehold needed by the City, Delta must design and construct replacement and interim facilities on other portions of the TOC; and

WHEREAS, the City and Delta desire and intend to enter into a companion agreement amending the TOC Lease and memorializing the relinquishment of the portion of Delta's TOC Leasehold needed for the first phase of the EIT project and the ATCT (the "Amendatory Agreement"); and

WHEREAS, the FAA and the City desire and intend to enter into an agreement covering the leasing of the site upon which the ATCT will be located, and which comprises a portion of the Delta TOC Leasehold to be relinquished under the Amendatory Agreement, and the execution of such Amendatory Agreement is further contingent upon the execution of the Reimbursable Agreement contemplated hereunder; and

WHEREAS, in order to mitigate and cure the damages to Delta caused by the partial taking of the Delta TOC Leasehold for the EIT project and the ATCT as contemplated above, Delta and the City desire and intend to enter into a Reimbursable Agreement, under which Delta would design and construct and the City would compensate Delta for certain replacement and interim facilities, including but not limited to replacement of a materials storage facility, a new parking deck and new or refurbished surface parking areas, and operate a temporary employee busing service, at a cost to the City not-to-exceed Thirteen Million, Five Hundred and Eleven Thousand, and Thirty Six Dollars (\$13,511,036.00); and

WHEREAS, all of the foregoing actions and agreements are co-dependent and require the approval of this Resolution.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF ATLANTA, GEORGIA, that the Mayor or her designee be and hereby is authorized to execute on behalf of the City of Atlanta a Reimbursable Agreement with Delta Air Lines, Inc., which shall provide for Delta to perform the replacement design and construction described above, for a cost to the City not to exceed \$13,511,036.00.

BE IT FURTHER RESOLVED that the cost to the City under said Reimbursable Agreement is to be charged to and paid from Fund Account Center No. 2H26 571001 R21E052096AA.

BE IT FURTHER RESOLVED that the City Attorney be and hereby is directed to prepare said Reimbursable Agreement for execution by the Mayor.

BE IT FINALLY RESOLVED that said Reimbursable Agreement shall not become binding upon the City, and the City shall incur no obligation or liability thereunder until the same has been signed by the Mayor and delivered to Delta.

TRANSMITTAL FORM FOR LEGISLATION

To Mayor's Office: Greg Pridgeon

General Manager's Signature: _____

From: Originating Dept. Aviation

Committee of Purview: TC

Committee Meetings: 01/29/03

Contact: Anita Williams 404-530-6600

Committee Deadline: 01/17/03

City Council Meeting: 02/03/03

CAPTION:

A RESOLUTION AUTHORIZING THE MAYOR OR HER DESIGNEE TO EXECUTE A REIMBURSABLE AGREEMENT WITH DELTA AIR LINES, INC., COVERING THE REIMBURSEMENT BY THE CITY TO DELTA OF CERTAIN COSTS TO BE INCURRED BY DELTA FOR THE DESIGN AND CONSTRUCTION OF CERTAIN REPLACEMENT AND INTERIM FACILITIES, INCLUDING BUT NOT LIMITED TO REPLACEMENT OF A MATERIALS STORAGE FACILITY, A NEW PARKING DECK AND NEW OR REFURBISHED SURFACE PARKING AREAS, AND THE OPERATION OF A TEMPORARY EMPLOYEE BUSING SERVICE AT HARTSFIELD ATLANTA INTERNATIONAL AIRPORT UP TO AN ESTIMATED AMOUNT NOT TO EXCEED \$13,511,036.00, TO BE CHARGED TO AND PAID FROM FUND ACCOUNT CENTER NO. 2H26 571001 R21E052096AA; AND FOR OTHER PURPOSES.

BACKGROUND/DISCUSSION: The City of Atlanta (the "City") and Delta Air Lines Inc. ("Delta") are parties to an Amended and Restated Lease Agreement ("TOC Lease"), dated December 1, 1989, for Delta's Technical Operations Center ("TOC") at Hartsfield Atlanta International Airport ("Hartsfield"). The City has undertaken the design and construction of a new East International Terminal ("EIT"), and the Federal Aviation Administration ("FAA") and the City have jointly determined that the new Air Traffic Control Tower ("ATCT") must be sited adjacent to and partially upon land comprising the TOC. Therefore, the City and Delta desire and intend to enter into an agreement amending the TOC Lease and memorializing the relinquishment of the portion of Delta's TOC Leasehold needed for the first phase of the EIT project and the ATCT (the "Amendatory Agreement"). In order to mitigate and cure the damages to Delta caused by the contemplated partial taking of the TOC Leasehold, Delta and the City desire and intend to enter into a Reimbursable Agreement, under which Delta would design and construct, and the City would compensate Delta for, certain replacement and interim facilities, and operate a temporary employee busing service.

FINANCIAL IMPACT: \$13,511,036.00

SOURCE: PFC Funds

Fund Account Center numbers and availability of funds verified by Financial Analyst, Tracy Curry.

Mayor's Staff Only: _____

Received by Mayor's Office: 1/13/03

(Date)

Reviewed: [Signature]

(Initials)

(Date)

Submitted to Council: _____

Action by Committee: ☐ Approved ☐ Adversed ☐ Held ☐ Amended

☐ Substitute ☐ Referred ☐ Other